

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

CASE NO. C15-0428JLR

FILED  
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U.S. DISTRICT COURT  
BY WESTERN DISTRICT OF WASHINGTON  
DEPUTY

DAVID C. ANDREWS, et al.,

Plaintiffs/

v

COUNTRYWIDE BANK, NA, et al.,

Defendants

\_\_\_\_\_ /

**MOTION TO STAY ALL PROCEEDINGS OF THIS COURT,  
PENDING PLAINTIFFS' APPEAL WITH THE COURT OF APPEALS OF THE STATE  
OF WASHINGTON**

COME NOW, the Plaintiffs, David C. and Melinda C. Andrews, Pro Se, hereby file this Motion to Stay All Proceedings of this Court, pending Plaintiffs' Appeal to the Court of Appeals of the State of Washington regarding the Court's entry of Order, entered by the Honorable James L. Robart, Denying Plaintiff's Motion for a Temporary Restraining Order, in favor of Defendant, COUNTRYWIDE BANK, NA, in Case Number C15-0428JLR, entered on April 01, 2015. In support of this Motion to Stay All Proceedings of this Court, Plaintiffs state as grounds the following:

**FACTS AND PROCEDURAL HISTORY**

1. Plaintiffs, David C. and Melinda C. Andrews, are currently appealing the Court's Order entered by the Honorable James L. Robart, Denying Plaintiff's Motion for a Temporary Restraining Order in favor of Defendant, COUNTRYWIDE BANK, NA, to the Court of Appeals of the State of Washington. A copy of said order is attached hereto as Exhibit

“A”.

2. Defendant, Court of Appeals of the State of Washington, by and through its counsel, ALBERTELLI LAW, was served a copy of the Notice of Appeal filed on April 8, 2015 in Case Number C15-0428JLR by Plaintiffs.
3. Plaintiffs now bring this Motion to Stay All Proceedings of this Court, Pending Plaintiffs' Appeal with the Court of Appeals of the State of Washington.

#### ARGUMENT

4. Per *Wash. Rule CR 62* “Upon the filing of a notice of appeal, enforcement of judgment is stayed until the expiration of 14 days after entry of judgment.”
5. Any requirement for the placement of a bond by Plaintiffs as a condition for the Court's grant of a stay of all proceedings in their favor will pose a dramatic and potentially catastrophic hardship on Plaintiffs, and may act to subvert their ability to bring their appeal to Court of Appeals of the State of Washington, endangering their fundamental rights to Due Process under Washington Const. § Art. I, Sec. 3, where “No person shall be deprived of life, liberty, or property, without due process of law.”
6. Plaintiffs have a meritorious claim on appeal, and have a good chance of prevailing, based on issues of material fact that will be raised on appeal by Plaintiffs, especially in regards to Defendant's actions in the Breach of contract and Slander of Title counts. Based on these claims the Plaintiffs assert that a Temporary Restraining Order should have been granted on the sale of the property in question, allowing Discovery to be conducted and allowing for the case to proceed on its Merits.
7. Plaintiffs are currently preparing appropriate pleadings to the Court of Appeals of the State of Washington for review and ruling.

8. By placing any bond requirement on Plaintiffs, Plaintiffs may run the risk of being deprived of their property because they will be unable to proceed with an appeal and risk losing their property, even though they are actively pursuing the proper avenues of appeal with respect to their case.
9. Plaintiffs' case is a Breach of Contract and Slander of Title action against Defendant, and is not necessarily a money judgment, but actually involves the very ownership of their property, which cannot be readily quantified.

**WHEREFORE**, Plaintiffs request this Honorable Court to grant a stay to all proceedings herein related to this action, without any requirement by the Court for Plaintiffs to post a bond as a condition of such a stay of all proceedings, pending appeal of the Court's Order Denying Plaintiff's Motion for a Temporary Restraining Order, in favor of Defendant entered on April 1, 2015 to the Court of Appeals of the State of Washington.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

DAVID C. ANDREWS, et al.,

Plaintiffs,

v.

COUNTRYWIDE BANK, NA, et al.,

Defendants.

CASE NO. C15-0428JLR

ORDER DENYING PLAINTIFFS'  
MOTION FOR A TEMPORARY  
RESTRAINING ORDER

**I. INTRODUCTION**

This matter comes before the court on pro se Plaintiffs David C. and Melinda C. Andrews' ("the Andrews") motion for a temporary restraining order (Mot. (Dkt. # 13)) and Defendants'<sup>1</sup> opposition thereto (Resp. (Dkt. # 14)). The Andrews seek to prevent the non-judicial sale of their property on April 10, 2015. (*See id.* at 1-2.) The court has

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<sup>1</sup> Defendant Countywide Bank, NA, has not joined in the opposition. (*See* Resp. (Dkt. # 14).) For ease of reference, however, the court will refer to the opponents of the motion as "Defendants."

1 reviewed the Andrews' motion, Defendants' opposition, the complaint, and the governing  
 2 law. Being fully advised, the court DENIES the Andrews' motion for a temporary  
 3 restraining order.<sup>2</sup>

## 4 II. BACKGROUND

5 On March 2, 2015, the Andrews filed this lawsuit in the Superior Court for King  
 6 County, Washington, against Defendants Countrywide Bank, NA ("Countrywide");  
 7 Mortgage Electronic Registration Services, Inc. ("MERS"); Nationstar Mortgage, LLC  
 8 ("Nationstar"); DB Structured Products, Inc. ("DBSP"); Deutsche Alt-A Securities, Inc.  
 9 ("DAAS"); HSBC Bank USA, NA ("HSBC"); and Does 1-10. (Not. of Rem. (Dkt. # 1)  
 10 Ex. A (Dkt. # 1-1) at 2-98 ("Compl.") at 1.) Their complaint alleges that their home loan  
 11 was paid off when their lender, Countrywide, sold the loan during securitization, and that  
 12 the deed of trust securing the loan therefore should have been released at that time. (*See*  
 13 *id.* ¶¶ 14-16.) The complaint further alleges defective transfers of the promissory note  
 14 (*see id.* ¶¶ 17-24), and improper assignments of the deed of trust (*see id.* ¶¶ 26-38). On  
 15 the basis of these allegations, the complaint asserts claims for breach of contract (*id.*  
 16 ¶¶ 41-44); slander of title (*id.* ¶¶ 45-57); violation of the Fair Debt Collection Practices  
 17 Act ("FDCPA"), 15 U.S.C. § 1692, *et seq.* (*id.* ¶¶ 58-70); and declaratory relief (*id.*  
 18 ¶¶ 71-85).

19 On March 19, 2015, MERS and Nationstar removed the lawsuit to this court. (*See*  
 20 Not. of Rem. at 1.) At the time of removal, the Andrews had a motion for a temporary

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21  
 22 <sup>2</sup> The court finds that oral argument is unnecessary. *See* Local Rules W.D. Wash. LCR  
 7(b)(4).

1 restraining order pending in state court. (*See* Ver. of State Ct. Rec. (Dkt. # 2) Ex. A (Dkt.  
 2 # 2-1) at 123-30.) The Clerk noted the motion on this court's calendar on March 27,  
 3 2015. (*See* Mot.) The motion seeks to restrain a trustee's sale of the Andrews' property  
 4 until a hearing can be held to determine whether Defendants should be enjoined from  
 5 foreclosing on the property. (*See id.* at 6.) In addition, the Andrews attach a completed  
 6 application to proceed in forma pauperis which details their present lack of financial  
 7 means and resulting inability to pay filing fees and court costs.<sup>3</sup> (*See id.* Ex. 1 (Dkt. # 13-  
 8 1) at 1-2.)

### 9 III. DISCUSSION

10 A plaintiff seeking a temporary restraining order in federal court must meet the  
 11 standards for issuing a preliminary injunction. *See Stuhlberg Int'l Sales Co. v. John D.*  
 12 *Brush & Co.*, 240 F.3d 832, 839 n.7 (9th Cir. 2001). Accordingly, the plaintiff must  
 13 establish (1) that he is likely to succeed on the merits, (2) that he is likely to suffer  
 14 irreparable harm in the absence of preliminary relief, (3) that the balance of equities tips  
 15 in his favor, and (4) that an injunction is in the public interest. *Winter v. Natural Res.*  
 16 *Def. Council, Inc.*, 555 U.S. 7, 20 (2008). In addition, a "preliminary injunction is  
 17 appropriate when a plaintiff demonstrates that serious questions going to the merits were  
 18 raised and the balance of hardships tips sharply in the plaintiff's favor," provided the  
 19 plaintiff also demonstrates that irreparable harm is likely and that the injunction is in the

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21  
 22 <sup>3</sup> Because the Andrews did not remove this case from state court, they are not responsible  
 for paying the filing fees associated with commencing a new case in this court.

1 public interest. *Alliance for the Wild Rockies v. Cottrell*, 632 F.3d 1127, 1134-35 (9th  
2 Cir. 2011).

3 Non-judicial foreclosures in Washington are governed by the Deed of Trust Act  
4 (“DTA”), RCW ch. 61.24. *Cox v. Helenius*, 693 P.2d 683, 685 (Wash. 1985); *see also*  
5 *Vawter v. Quality Loan Serv. Corp. of Wash.*, 707 F. Supp. 2d 1115, 1121-22 (W.D.  
6 Wash. 2010) (explaining the operation of the DTA), *disagreed with on other grounds by*  
7 *Walker v. Quality Loan Serv. Corp. of Wash.*, 308 P.3d 716, 720-24 (Wash. Ct. App.  
8 2013). The procedure set forth in RCW 61.24.130 for restraining a trustee’s sale initiated  
9 pursuant to the DTA is “the only means by which a grantor may preclude a sale once  
10 foreclosure has begun with receipt of the notice of sale and foreclosure.” *Cox*, 693 P.2d  
11 at 686. Specifically, under RCW 61.24.130(1), a court must “require as a condition of  
12 granting the restraining order or injunction that the applicant pay to the clerk of the court  
13 the sums that would be due on the obligation secured by the deed of trust if the deed of  
14 trust was not being foreclosed.” RCW 61.24.130(1).

15 The court does not question that the Andrews are likely to suffer irreparable harm  
16 in the absence of a temporary restraining order. Indeed, they are at risk of losing their  
17 home in an April 10, 2015, trustee’s sale. (*See* Mot. at 1-2.) The court cannot, however,  
18 find serious questions, let alone a likelihood of success, on the merits of the Andrews’  
19 claims as required to support a temporary restraining order. *See Winter*, 555 U.S. at 20;  
20 *Alliance for the Wild Rockies*, 632 F.3d at 1134-35.

21 First, a key allegation in the Andrews’ complaint rests on illogical and  
22 unsupported assumptions about their home loan. In particular, the Andrews allege that

1 their loan was paid off when their lender, Countrywide, sold the loan on the secondary  
2 market. (See Compl. ¶¶ 14-15 (“[Countrywide] being paid all sums due upon the  
3 Andrews Note sold the Andrews Note to [DBSP] . . . .”).) The assumption underlying  
4 this allegation appears to be that any payment a lender accepts in relation to a loan is a  
5 payment of the sums due on the loan.

6 The Andrews’ assumption misapprehends both the legal effect of a secondary  
7 market loan sale and the Andrews’ obligations under their promissory note and deed of  
8 trust. In a secondary market loan sale the buyer purchases the lender’s rights. See  
9 *Cashmere Valley Bank v. Dep’t of Rev.*, 334 P.3d 1100, 1102 (Wash. 2014) (“The  
10 secondary market buyer acquires the right to receive the borrower’s principal and interest  
11 payments on the home loan and also the right to foreclose on the home if the borrower  
12 fails to make timely payments.”) No buyer would pay for those rights, however, if the  
13 purchase discharged the borrower’s obligation and thereby rendered the rights valueless.  
14 More importantly, the Andrews’ promissory note and deed of trust place the duty to  
15 repay the loan on the Andrews and provide no indication that sale of the loan will  
16 discharge that duty.<sup>4</sup> (See Compl. at 38-42 (“Promissory Note”) ¶ 1 (reciting the  
17 Andrews’ promise to repay the principal plus interest as well as their understanding that  
18 the lender may transfer the promissory note); Compl. at 45-56 (“Deed of Trust”) at 2, 9-  
19 10.)

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21  
22 <sup>4</sup> In addition, the Andrews have not provided the court with any documentation of the  
alleged sale between Countrywide and DBSP.



1 Furthermore, the allegation that sale discharged the loan is critical to the Andrews'  
2 claims. It forms the foundation of the Andrews' breach of contract claim (*see id.* ¶¶ 41-  
3 44), and is essential to at least their slander of title and FDCPA claims as well (*see id.*  
4 ¶¶ 48(d)-(e), 51(d)(e), 53(d)-(e), 55(d)-(e), 64-65). (*See also* Mot. at 6 ("At the very basis  
5 of Plaintiff's Complaint . . . Plaintiff has alleged and can demonstrate at trial that  
6 Defendants breached their contract . . .").) Thus, given this allegation's flaws and its  
7 importance to the Andrews' complaint, the court cannot conclude that the Andrews have  
8 demonstrated serious questions or a likelihood of success on the merits of their breach of  
9 contract, slander of title, or FDCPA claims.<sup>5</sup>

10 Second, the Andrews also have not demonstrated serious questions or a likelihood  
11 of success on the merits of their declaratory claims. Most of those claims merely ask the  
12 court to make declarations out of the factual allegations underlying the Andrews' other  
13 causes of action. (*Compare* Compl. ¶¶ 71-85 *with id.* ¶¶ 41-70.) Such claims are  
14 redundant and cannot support an independent declaratory cause of action. *See Avirez,*  
15 *Ltd. v. Resolution Trust Corp.*, 876 F. Supp. 1135, 1143 (C.D. Cal. 1995). Instead, these  
16 claims must succeed or fail along with the causes of action to which they relate. *See id.*;  
17 *Ballard v. Chase Bank USA, NA*, No. 10CV790 L(POR), 2010 WL 5114952, at \*8 (S.D.  
18 Cal. Dec. 9, 2010).

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21 <sup>5</sup> In any event, the FDCPA claim is irrelevant for purposes of this motion, as the FDCPA  
22 does not provide for injunctive relief. *See* 15 U.S.C. § 1692k; *Taylor v. Quall*, 471 F. Supp. 2d  
1053, 1059 (C.D. Cal. 2007) (citing *Weiss v. Regal Collections*, 385 F.3d 337, 341 (3d Cir.  
2004)).

1 To the extent that the complaint makes independent declaratory claims challenging  
2 assignments of the promissory note and deed of trust, those claims also do not merit a  
3 temporary restraining order. As an initial matter, a borrower generally lacks standing to  
4 challenge the assignment of its loan documents unless the borrower shows that it is at a  
5 genuine risk of paying the same debt twice. *See, e.g., Borokowski v. BNC Mortgage,*  
6 *Inc.*, No. C12-5867 RJB, 2013 WL 4522253, at \*5 (W.D. Wash. Aug. 27, 2013); *Brodie*  
7 *v. Nw. Trustee Servs., Inc.*, No. 12-CV-0469-TOR, 2012 WL 6192723, at \*2-3 (E.D.  
8 Wash. Dec. 12, 2012). The Andrews have not alleged that they are subject to such a risk.

9 In addition, the Andrews have not demonstrated any basis for their challenge to  
10 MERS's eligibility to assign the deed of trust. (*See* Compl. ¶¶ 26-28, 48-50.) Although  
11 MERS is not an eligible beneficiary under the DTA, MERS may act as an agent of the  
12 note-holder. *See Bain v. Metropolitan Mortg. Grp., Inc.*, 285 P.3d 34, 47 (Wash. 2012).  
13 Here, the deed of trust designates MERS as a beneficiary "acting solely as a nominee for  
14 Lender and Lender's successors and assigns." (Deed of Trust at 2.) The Andrews cite no  
15 authority for their contention that MERS is incapable of transferring its interest in a deed  
16 of trust. Moreover, this court has twice rejected conclusory allegations that MERS lacks  
17 the authority to transfer a deed of trust in cases similar to this one. *See Zhong v. Quality*  
18 *Loan Serv. Corp. of Wash.*, No. C13-0814JLR, 2013 WL 5530583, at \*3 (W.D. Wash.  
19 Oct. 7, 2013); *Wilson v. Bank of Am., N.A.*, No. C12-1532JLR, 2013 WL 275018, at \*8  
20 (W.D. Wash. Jan. 24, 2013).

21 The Andrews likewise fail to justify a temporary restraining order with their  
22 allegations challenging the transfers and securitization of their promissory note. (*See*

1 Compl. ¶¶ 17-25; *see also id.* ¶¶ 72-77.) These allegations are difficult to comprehend,<sup>6</sup>  
 2 and the Andrews have not explained them in their motion or provided any supporting  
 3 case authority. Even construing these allegations liberally,<sup>7</sup> the court cannot find in them  
 4 a valid legal claim, let alone a claim that presents serious questions or is likely to succeed  
 5 on the merits. *See Winter*, 555 U.S. at 20; *Alliance for the Wild Rockies*, 632 F.3d at  
 6 1134-35.

7 Finally, even if the court could find serious questions or a likelihood of success on  
 8 the merits, the DTA would prevent the court from issuing a temporary restraining order.  
 9 The Andrews do not allege that they have deposited or are capable of depositing with the  
 10 clerk of the court the sums required under RCW 61.24.130(1). (*See generally* Compl.;  
 11 Mot.) Moreover, the Andrews' application to proceed in forma pauperis indicates that  
 12 the Andrews are unable to deposit those sums. (*See* Mot. Ex. 1 at 1-2.) The inability to  
 13 comply with RCW 61.24.130(1) is fatal to the Andrews' motion because, as the  
 14 Washington Supreme Court has made clear, the DTA provides the only means by which  
 15 one can seek to enjoin a trustee's sale. *Cox*, 693 P.2d at 686.<sup>8</sup>

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17 <sup>6</sup> For example, the Andrews claim that "Defendant [DBSP] by bifurcating the payment  
 18 stream intangible obligation as a (transferable record) [sic] pursuant to RCW 62A.8-102  
 19 negotiating – selling (conveying) outside of negotiation – selling (conveying) the Andrews Note  
 to Defendant [DAAS], Defendant [DBSP] became the account debtor for the payment stream  
 (transferable record) intangible obligation sold to the Defendant [DAAS]." (Compl. ¶ 72.)

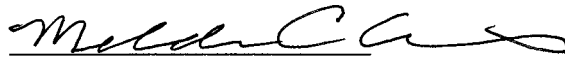
20 <sup>7</sup> *See Bernhardt v. L.A. Cnty.*, 339 F.3d 920, 925 (9th Cir. 2003) ("Courts have a duty to  
 construe pro se pleadings liberally, including pro se motions[.]").

21 <sup>8</sup> According to Defendants, the Andrews have discharged their personal liability in  
 22 bankruptcy. (*See* Resp. at 4 n.1.) That discharge does not affect the court's ruling, however,  
 because discharge in bankruptcy generally "extinguishes only one mode of enforcing a claim—

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by U.S. Mail and e-mail upon the following party(ies): Rebecca R. Shrader, Bishop, Marcschall & Weibel, P.S. 720 Olive Way, Ste 1201, Seattle, WA 98101-1801, bshrader@bwmlegal.com; Jody M. McCormick, Steven J. Dixon, Witherspoon, Kelley, 422 West Riverside Ave., Ste 1100, Spokane, WA 99201; Robert McDonald, Quality Loan Service, 108 - 1st Ave. S. #202, Seattle, WA, 98104, rmcdonald@qualityloan.comon; this 8 day of April, 2015.



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